

THE FEDERAL BUDGET

The SPEAKER pro tempore (Mrs. MUSGRAVE). Under the Speaker's announced policy of January 7, 2003, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Madam Speaker, we are about to begin the process of passing a budget. There are other matters on the agenda here in Washington, of course. We have just heard one, the medical malpractice and the capping of awards to patients. That is important. There are not many important things that we have considered so far this year. There are a few, but nothing is more important than the budget. The budget is part of a bigger process. The budget and appropriations process are inseparable. They go together. It is as if the appropriations process, which is the final allocation of funds for functions of government, begins with the budget. The budget is going to set the parameters. The budget is going to outline where the appropriations process can go. It is important that as many of our Members as possible focus now on the preparation of the budget. The budget is a moral statement. It is a moral statement of what the values of a nation are at a particular time. There may be some nations which cannot make such a moral statement with their budget. If it is Bangladesh or Haiti or a number of very poor countries in the world, they may have high moral values, they may want to educate all of their primary school children and high school children, they may want to send all their children to college for free, but they do not have the resources, they do not have the funding, so the moral choice is not theirs. In the United States of America, the richest nation that ever existed on the face of the Earth, we make moral choices because we have the resources. We can do whatever we want to do with our resources, but we choose to do in some cases outrageous things with our resources and neglect very important matters, such as education, such as health care.

You cannot separate the budget from the discussions of war and peace either. We are slowly proceeding at an escalating pace toward a war with Iraq. The war with Iraq cannot be dealt with and discussed and value judgements cannot be made about that war without also considering the budget and appropriations process. It is the budget. How much will the war cost? Can we afford the war at the same time we provide for the needs of our own people in a reasonable manner? How much will war and peace affect the decisions that are made by the Members of Congress from here until we end the final appropriations process?

It is very interesting that the President, who starts the budget process by submitting his recommended budget to the Congress, has chosen not to include in the budget figures any recommended budget for the war in Iraq. Everybody knows that we are preparing for war.

We have nearly 200,000 troops already in the area of Iraq, more specifically in Kuwait just across the border from Iraq. It is pretty clear that the policy of our administration wants to move us toward war, despite the fact that the rest of the civilized world, or large parts of the civilized world are raising their voices in protest. We are moving in that direction, but it is not in the budget. What kind of moral statement is it that we do not even bother to mention the war in the budget? Is that a statement that it should be a secret document, that whatever the budget for the war in Iraq might be it is going to be too outrageous to discuss in public? That will be a bit un-American. There is no way you can appropriate large amounts of funds without coming here to this floor through the Congress. So eventually we are going to have a budget for the war in Iraq on top of the present budget.

The present budget already is a budget that has gone into deficit. We are going to expend more money, if we follow the President's recommendation, than we take in. So war and peace considerations will have to be a part of this process of deliberation about the budget. I do not want to spend the time today discussing the war. I want to talk about the budget. But I must say that an activity which will drain such a great amount of money from the coffers of the American people, an activity which will put a strain on the budget-making process for all other functions, must be dealt with to some degree here.

I am against going to war with Iraq. I think that we are less secure. Every day we move toward a war with Iraq makes us less secure, not more secure. I think we are as a people more in danger every day we move toward the war with Iraq. I made that statement back in the fall when we had on the floor consideration of whether or not to give the President the approval to go to war, knowing that the consideration was war in Iraq. I made that statement. I said that North Korea and Pakistan are two priorities that we should look at before we consider war in Iraq.

Most people do not know that there is a great danger lurking in Pakistan along the borders and in the whole country. There is a danger that a nation that already has nuclear weapons, that is our ally, that that government may be overthrown. That government teeters on the edge of disaster because there are a tremendous number of people in high places in the military establishment, in the intelligence apparatus, who are pro-al Qaeda. There are a tremendous number of people who are pro-the Taliban. In fact, the Taliban that we just defeated in Afghanistan was created in Pakistan with the help of the Pakistani military. There are tensions seething, there is fanaticism there with respect to the battle between India and Pakistan over Kashmir that warps the reasoning of lots of

people. And it is possible that fanatics, assisted by professional military people and the fervor of the al Qaeda movement, could overthrow the government of Pakistan, our ally, our biggest Muslim ally in the world.

Pakistan has always been our ally. Throughout the Cold War it was our ally. It is our ally now at a time when it is very dangerous for the Pakistani government to be our ally. But they are there. They have the courage, they are supporting the effort, the war against terrorism in Afghanistan and in that region, and it appears they may support the President in his quest to make war on Iraq. But this ally is in danger. I think that I am one of the few people who would put them first on the list of dangerous situations that confront America. They have nuclear weapons already. They have nuclear weapons. They are a Muslim nation. Osama bin Laden and the al Qaeda organization will have nuclear weapons if they capture the government or take over the government of Pakistan.

Moving beyond Pakistan, of course, everybody is aware now—they were not aware last fall to the extent they are now—that North Korea poses a threat and every day we move toward Iraq, obsessed with attacking Iraq, we are ignoring the danger in North Korea. North Korea is a mystery. The leaders there are unpredictable, unknown. This is a nation that defies reason in that they have the technical know-how, they have a very educated population, a population that is able to produce high technology. They have some of the most efficient rockets in the world. They are in the position now to create nuclear weapons. In fact, it is predicted soon and they may have two or three nuclear bombs already.

□ 2030

They have that kind of technology, they have that kind of capability, they have that kind of know-how. At the same time, they cannot feed themselves. The government cannot run a country which will provide food for the population, and the population is like captives to a government that cannot provide enough food for them.

This is a situation probably unprecedented in history, and unpredictable; and we should pay much more attention to it. We should be watching it much more closely. We should have our resources poised to deal with the unknown, the dangerous unknown, that exists in North Korea.

As far as Iraq is concerned, Saddam Hussein certainly is a person that should be dealt with. I think the fate of Milosevic, who is now on trial in the world court, indicted as a war criminal, that is the fate that should await Saddam Hussein; and we should push in every way possible to get that accomplished. But going to war with the people of Iraq in the manner we are proposing will not accomplish that task in a way which leaves us covered in dangerous spots elsewhere in the world. It

also alienates. Because of the fact that we are about to wage a full scale attack on a whole nation, it alienates large numbers of allies that we may think we do not need; but we do need those allies.

So war and peace considerations are as much a part of the budget considerations as any others, because we are already in a situation now where a new Department has been created, Homeland Security, and the Homeland Security budget is a new strain on the total nondefense budget.

We will find in the President's budget a number of cuts in a number of proposals and propositions that move in a way which will place the burden of this war on the backs of the poorest people. We have proposals under way now which are outrageous with respect to robbing the poor to pay for our government. We have a recession. We have the impact of September 11. There are a number of forces in motion that keep the recession going, and it is getting worse.

I am not in a position where I have the expertise to explain why the recession is moving the way it is totally, but we know some of the factors. I just mentioned two of them.

We have serious problems with respect to budgeting for every State and every city across the country. Certainly in my home State of New York, we are deep in a situation where the expenditures loom high over the expected revenue in New York State.

In New York City, there is still a \$2 billion to \$3 billion gap in the budget. It is very serious across the Nation, of course, as I said before. There are many cities and States in the same position.

There are cities where the local education agency within the city is projecting cutting the number of days that children will be allowed to go to school. There are other cities that are projecting deep cuts in education and health care. There are cities where health care cuts are already taking place in large amounts.

In my City of New York, the mayor was criticized by the establishment press for allowing the Medicaid costs to increase. The mayor has merely done his moral duty and allowed the agencies responsible for providing Medicaid to give Medicaid to those who are eligible for Medicaid.

Our previous mayor had gone to great lengths to knock people off the welfare rolls who really had a right to be there. They were eligible. But in addition to knocking them off the rolls, our previous mayor would not counsel and pressured the departments responsible for administering Medicaid and food stamps, to the point where they would not tell people who were knocked off the welfare rolls that they still had a right to Medicaid or still had a right to food stamps. So at this point, half of the people eligible for food stamps in New York City are not receiving food stamps, on the one hand.

On the other hand, the food pantries and the soup kitchens have long lines of people who need food, many of whom are eligible for food stamps, and they do not know it because of the oppressive policies of the previous administration.

The administration in power now says we should do the right thing. People who qualify for Medicaid should get Medicaid. They are under attack for raising the cost of city government. By raising Medicaid and dealing with people's health care, we are threatening the budget; and that is a reason the press considers it a legitimate reason to criticize the mayor.

"Life, liberty and the pursuit of happiness" is not just a loose statement made somewhere by the Founding Fathers. Life comes first, before liberty, before the pursuit of happiness. Life is related to health care. You have to be healthy; you have to stay alive. We are last among the industrialized nations. I understand that has to be translated into the provision of the best possible health care for every citizen.

If Canada can afford a plan which takes care of all the citizens of Canada, surely the United States can afford such a plan also. If Germany, France, if all the industrialized nations can afford to provide health care for all, surely the rich and powerful United States could also provide health care for all.

In this budget process that we are about to undertake, proposals are being made by the White House that Medicaid will be treated the way we have treated welfare reform. We are going to use Medicaid dollars to bribe the States. We are going to use Medicaid dollars in the same way that welfare reform dollars were used.

How were they used? In the Welfare Reform Act we offered every State funding at a certain level for their program for the poor people. At the same time, we gave them the leeway to keep all the funds that they were able to garner as a result of people who were taken off the welfare rolls. If you drive down the welfare rolls in whatever way, it was assumed it would be legitimate, that you would really check the eligibility of people, that the welfare rolls would go down, because we had programs that would help poor people, help them to get jobs, help them to find other means to sustain themselves. But in most States there was a reckless move to knock off as many as possible.

So many people were knocked off the rolls in New York City that we had to go to court and get a court order to force the city under the previous administration of Rudy Giuliani, force him to allow people to have a fair hearing. At one point the requirement that before you were pushed off the rolls a family had a right to a fair hearing, that was just pushed aside; and we had to get the courts to order that the fair hearing would be reinstated. The city dragged its feet and did as few fair hearings as possible.

Welfare rolls went way down. It benefited the State and city, and it was a way to fill the petty cash drawers of the city and the State on the backs of the poor.

They did that most successfully in the State of Wisconsin. Wisconsin is the home of the present Secretary of health and welfare. Wisconsin was one of the worst in forcing the welfare costs down and transferring the funds that were supposed to be used for the poor into other functions.

For that, the Governor of Wisconsin was rewarded and brought to Washington. So now the Governor of Wisconsin presides over a new proposal to take Medicaid and conduct the same kind of swindle with Medicaid that was conducted with welfare reform dollars. It is Robin Hood in reverse, robbing the poor to take care of the well-off or to take care of the governments of the States and the localities.

But the amount of money involved in the Medicaid swindle is so much greater than the amount of money involved with the welfare reform; so that bribe, that carrot held out there, is quite tempting for Governors who are now suffering with tremendous budget problems.

I say, in our budget, why do we not follow the Democratic stimulus package? The Democratic stimulus package says let us give money back to the States in an honest revenue sharing program. In that revenue sharing program, our Democratic Caucus did not do it to the degree I wanted, but you would target some areas.

I would target education, I would target Medicaid, and say we are giving you the money back. It is your money. Really all money comes from localities and States. The Federal Government does not generate any money. It is the money that comes out of taxpayers that live in States and local areas.

So we are giving back the money, a certain amount of money, to help with the budget problems that you have at the State and local level; but a certain percentage must be spent on education, and a certain percentage must be spent for health care also.

But that is honest revenue sharing, with controls and monitoring; and it is up front. What we are saying instead is we will give you your Medicaid money at the level that you have now, and that is it. Once we give it to you at that level, it will never go up; but you can use the money appropriated, for the next 5 years at least, you can use that money that you do not need for people who are on Medicaid.

If you drive down the Medicaid rolls, deny care to people that need it, all that you save can be utilized in some other way. This is called block grants, and there are other names for it. But that is the Republican majority's way of dealing with a major crisis in the country in terms of States and local governments and their budgets.

There is also a proposal that section 8 housing, housing programs for the

poor, shall also be block-granted in the same manner. So you can take something from the pot for the poor people by taking from welfare reform, you can take some from the pot that is generated by Medicaid, you can take some from section 8, and on and on it will go, because obviously the Republican majority's philosophy of States' rights is being distorted to mean the States' rights to Federal dollars that are really intended for poor people.

So we are here considering the budget, and these are the kinds of overriding considerations that are taking place.

I have been appointed by the Congressional Black Caucus to coordinate an alternative budget. An alternative budget is an alternative to the Republican majority budget that is going to be presented here. It is also an alternative to what the President has presented.

Nobody knows exactly how much the Republican majority budget that will come to the floor of the House will look like the President's budget, but we assume that it will be very close to the President's budget.

I am not certain that this Republican majority will allow alternative budgets on the floor yet. I do not know whether that decision has been made or not. But I hope the decision is made to allow us to present alternative budgets on the floor.

Nothing is more important, as I said before, than the budget process, the budget process which opens up the appropriations process, the process that is the most important thing that government can engage in. And we need time to debate it; we need time to discuss it.

We among ourselves are overwhelmed by the complexities of our government, even before 9-11, even before the mobilization for the war on Iraq. This is a complicated era. We live in complicated times of governments. The functions of governments as big as the United States of America need deliberation. We need deliberations about function, we need debate, we need as much consideration as possible. So we should not rush through the process of the approval of a budget.

I think there are certain basic principles that we need to follow, and I set forth to my colleagues in the Congressional Black Caucus those principles. One is we stand for and would like to do everything possible to facilitate a smaller, streamlined, and efficient government.

□ 2045

That should be the goal of all lawmakers. However, there must be enough revenue and resources to carry out the vital functions of our complex American society. It is absolutely necessary that we maintain an adequate investment in human development.

The people who say that the policies of the Republican majority are fashioned in a way to squeeze, squeeze the

dollars out of the Federal Government so that there will be no money, no funding available for social programs, they are correct. That is the way the Republican majority is proceeding, along with the help, of course, of a new administration. The Republicans, of course, control all of the apparatus of government now, and it will be more difficult than ever before to stop the march toward the movement of resources of the Federal Government out of the Federal Government and back to the States, to some degree, and the lessening, in the final analysis, to take away the safety nets, to take away the New Deal, to take away Lyndon Johnson's society; all of that is going to be reversed if these policies are allowed to endure in the name of making government more efficient.

I believe in efficient government. I want every dollar saved to be used for some good use. Over and over I have attacked the insufficient farm subsidy program. The farm subsidy program is one of the most inefficient programs in the civilized world. Huge amounts of money are poured into a program that is not a safety net program, but it is still a handout. The American people are giving money to agricultural businesses. In addition to giving money to the businesses, we have a farm loan, all kinds of loan programs that have existed over the last 50 years, and billions of dollars have accumulated where the farmers, the so-called farmers, the agribusinesses have not bothered to pay back the funds. So there are areas of waste which certainly should be looked at very closely. There are large numbers of areas of waste. I am in favor of an efficient, streamlined, smaller government, but not at the expense of meeting the needs of all of the people of the United States, especially those who are poorest and need safety net legislation.

A second general principle, a general priority that I would set forth, I have set forth for the preparation of our alternative budget, the alternative budget of the Congressional Black Caucus, is that Federal assistance for education, for health care, housing, child care, transportation, worker safety and protection, and business development is as vital as support for homeland security and defense. Now, here I want to make the case that inseparable, inseparable from the budget process is our security. Considerations of our security are inseparable from the budget process. Considerations of our prosperity, continued vibrant economy, are inseparable from the budget process. It is the budget, stupid. It is the budget. The budget, which is part of the beginning of the appropriations process, will determine whether we use our tremendous resources for the benefit of all of the American people, whether we make a pivotal decision and turn down the dark road of more and more to the people who already have the most and less and less for the folks at the bottom who need the most. That is what is at

stake in this budget situation, and the fact that we must mobilize and finance a war only aggravates the situation much more.

A third principle is that the ability of the government to provide for the Nation's security can be effectively implemented and sustained only if all of the vital investments in human development are assigned priority on a continuing basis. Our security can be effectively implemented and sustained only if all of the vital investments in human development are assigned priority on a continuing basis. In other words, the first thing a nation of the size of the United States colossus, we are a colossus; nothing ever existed in the world like the United States of America. This colossus cannot function without a lot of educated human beings. In fact, the total population, as many as possible, must be educated; otherwise, we are going to grind to a halt. We cannot keep pace with all of the kinds of situations that are there without a tremendously educated population. We are already suffering greatly because of the fact that we have not sufficiently educated enough people to cover all of the fronts that have been exposed as a result of the al Qaeda attack on September 11.

One of the problems with the al Qaeda attack, and I have said it many times, is that despite the fact that we are very advanced technologically, we have satellite systems that cover the entire world, they can pick up telephone conversations anywhere in the world, any electronic mechanism can be picked up and recorded, and they did exactly that before September 11, and many of the messages that were picked up in Arabic were not translated in time to make the difference. I am not saying they could have totally prevented September 11, but it has already been admitted that some of the messages were picked up, but suffered from delayed translation, because we did not have enough Arab translators. We did not have enough Arab translators. Somebody in our government in high places failed in terms of his vision and his education to make certain that there was a comparability between the people who were able to translate messages and the volume of the messages coming in. Several months later, 2 or 3 months ago, a person was fired in the FBI apparatus because she blew the whistle and said we still do not have enough Arab translators. We still are not addressing the problem.

Now, Arab translators are just the tip of the iceberg. We had a problem here on Capitol Hill with that unknown person who sent out the anthrax, sent anthrax to one of our Senators, and that office had to be closed and the whole building shut down for 4 months. For 4 months we had to wait for the handful of people who have expertise in how to clean up anthrax to deal with the problem. For 4 months, for 4 months here on Capitol Hill, because of the fact that we did not have enough

expertise to spread around, right here in Washington. In the Post Office, they did not get the same amount of attention. The absence of that attention led to the death of the two casualties of anthrax in Washington. They were two postmen. The attention was triage, focused here on Capitol Hill. Some of our offices had to shut down for 3 weeks. Even now, the impact of the anthrax scare determines how fast we get our mail. We do not get it very fast because of the fact that it is screened.

But the absence of expertise, the absence of people who knew how to do it was a problem. What if the anthrax fanatic had struck at 10 or 20 places at the same time? Where would we be at this point? We obviously need a lot of people who know how to clean up anthrax, just as we need people to know how to handle the response to chemical warfare, biological warfare. We are talking about that, but when we look at the cuts in education and the way education is treated, there seems to be no understanding of the obvious. It is obvious that one cannot get the people to do these things unless we have a pool, a pool of educated people to draw from, bigger than the pool we have now. Because the pool we have now to create lawyers and doctors and engineers and masses in MBAs, businessmen, that pool will be drawn upon to create the traditional replacements for those areas. We need more educated people to take on all of these other specialties and to make certain that we never, we never lose a war, we never lose a battle, and maybe never lose a life because we did not have the expertise needed. So the investment in human beings comes first.

Why are we proposing these budget cuts in education? Why are we not maximizing the amount of money spent on education as part of our mobilization for a continuing war against terrorism? A war against terrorism is a serious war and there is a tendency to try to paint all of us who are against the war in Iraq as passivists, people who want to lay down their lives and let the fanatics trample over us, as people who are not smart enough to understand the nature of the enemy.

I am against the war in Iraq, as I said before. I do not think we should be preparing for war in Iraq because it makes the world more dangerous for us. I am against that war, but I assure my colleagues, like many of my colleagues who voted against giving the President the power to go to war, my colleagues voted to give the President the power to make war on al Qaeda and the Taliban. We applauded, we applauded the immediate response to go after the people who perpetrated the September 11 attack.

I want to say that nowadays there is a lot of talk back and forth among poets. I just heard, before I came to the floor, a McNeil/Lehrer presentation where they talked for a few minutes about how poets are getting involved in trying to stop the war on the one hand;

on the other hand, how some poets are getting involved on the other side, criticizing the poets who want to stop the war. This poet was very much in favor of going to Afghanistan, of challenging the Taliban, of routing al Qaeda.

I am not automatically a knee-jerk passivist; I do not run from the fact that there are fanatics in the world. On February 14 of last year, February 14, 2002, I made the following statement here on the floor in the form of a rap poem called "Let's Roll, America." I am not going to read it all, but I am going to read some of it to make it known that when it is time to mobilize, when the enemy is real, we should go forward.

LET'S ROLL, AMERICA!

Set the tracks of destiny straight,
Don't look back

But close the gate.

Toast the past

But change the cast.

In every language of the earth

To the country of all nations

We have proudly given birth.

At the Olympics of forever

We will win all the races;

We are Great Angels of tomorrow

With magic mongrel faces.

LET'S ROLL, AMERICA!

Be generous philanthropy geeks,

Roll up the Sierra's highest peaks.

Be fanatic democracy freaks,

All the Founders dared to seek.

Sing loud the hallelujah note,

All our races and women can vote.

AMERICA LET'S ROLL!

Stand navy out to sea,

Off we go flying to stay free,

War never leaves us thrilled

But maniacs demand to be killed.

Saddam Hussein Satan's tutored underboss

Hitler minus the crooked cross

Gleefully calculates the victim loss.

Patrons of peace permitted no breath,

Ayatollahs eat dinner with death,

bin Laden is a monster of stealth.

The spirit of Gettysburg calls

Forward to the Normandy walls;

Descendants of John Brown:

Fascists under any flag

We swear to drown.

War never leaves us thrilled

But maniacs demand to be killed."

There is a time to go to war. Adolf Hitler presented us with that challenge. We can never sing the praises high enough of the American boys who died on the beaches of Normandy, the Battle of the Bulge, fighting the Fascist enemy in Europe far away from home, but clearly, a clear menace to the entire world. We cannot sing the praises high enough of those who died on Iwo Jima, those who fought the Fascists of Japan who clearly had designs on the entire world and who led the fight by opening the conflict, by attacking us on Pearl Harbor.

So there is a time to go to war and there is a time to mobilize all of our resources and understand that a country belongs to us all. It is everybody's country. And when we make up the budget, remember that it is everybody's country. The names of the people on the Vietnam Wall, almost 58,000, I have said it before, if you look

at those names, take them down, study them, you will find that one-half of those names up there are young men who came from the big cities of America and the urban areas of America with very poor people, at least half came from families that qualified for welfare. At least half came from families that qualified for food stamps. At least a half came from families that deserved to have Section 8 housing. Those are Americans too, and many of the Americans in Kuwait right now are poor Americans who this country belongs to them, too. They are daughters, they are sons, and should not be denied the best education possible, should not be denied decent housing. Their mothers and grandmothers should not be denied Medicare, Medicaid by swindlers who want to save money on the backs of the poor.

So we will fight, and there are Americans who have fighting spirits who do not necessarily think that a knee-jerk reaction to using military force is the answer.

□ 2100

Let me proceed with my fourth principle in terms of basic assumptions and principles related to the preparation of an alternative budget. The fourth principle that I would state here is that while the taxing of the middle-income and working families must be reduced and maintained at the lowest possible levels, the Federal Government must nevertheless secure the revenue it needs by upwardly adjusting the tax rate on corporate entities and by creatively seeking larger fees from publicly owned resources such as the spectrum above us which belongs to us, the Internet, public lands and waterways. While the taxing of middle-income and working families must be reduced, the idea of a tax cut should not come from only the Republican majority. The question is who deserves the tax cut in the structure of revenue acquisition. What is the most just way to proceed with taxation?

This may be the defining moment in capitalism, democratic capitalism, how we revamp our tax structure. A tax structure which is revamped along the principles that have been established by the administration will lead us only to chaos because it makes the rich much richer, it widens the gap, it widens the gap between the rich and the poor in a way which only courts disaster for the future.

So our tax structure must be reflective of the situation that exists now. Wealth is being accumulated by very small groups of people. Wealth is being accumulated most rapidly by corporations, corporations which are the beneficiaries of all of the accumulated civilization that has gone before, the knowledge that science and engineering has produced, the knowledge that has come out of our research and laboratories. The drug companies that provide prescription drugs are very wealthy, huge conglomerations. But

they built their enterprise on the backs of research that was done in public laboratories, research that was accumulated over the years by scientists whose names are not known in some cases, and in other cases whose names are known but they worked for institutes that were financed by our government. The Institutes for Health focuses on various diseases and research has been immediately there.

Bill Gates is probably the richest man in the world. Bill Gates is rich because there is an Internet, Internet and computers. Both computers and Internet were developed by the American military to the point where they can be transformed into the private sector in ways that allow people to make large amounts of money. The software of Bill Gates and Microsoft, the whole culture of the cybercivilization was created by the initiative of the American people.

The American military financed by the American people led the way; and, therefore, if we have tax corporations that have benefited from the efforts of the American people at a greater rate, it is only just. Instead of taxing corporations that get rich faster and faster, the pattern has been that corporations now bear less of the tax burden than they did 50 years ago.

There was a time when individuals and family taxes, income taxes comprised about 54, 55 percent of the total tax burden. Corporations were as high as 44 percent at one point. Corporations and their share of the burden dropped drastically down to the point where it reached as low as 4 percent at one point. And President Clinton and his administration began to bring it back up, I do not know, it is between 11 and 15 percent now. But that is a long ways from their fair share of the tax burden.

If we were to increase the percentage of taxes we collect from corporations, we could lower the taxes we collect from middle-income families and working families; and that is a proposition that I think our budget should go forward on now. We should reject the administration's proposals to cut taxes at the highest levels and provide cuts at the lowest levels. The payroll taxes for ordinary working people is the biggest tax increase we have experienced in the last 25 years. Percentage-wise, taxes have increased more for the poorest people through the payroll tax than any other form of tax. Let us relieve them of the great increase in payroll taxes. Let us relieve the middle class which bears the brunt of the burden of taxes; let us relieve them before we relieve the top 10 and 15 percent. Let us give the middle class back their money. Let us give them tax credits for the tuition for children. Let us give them child care tax credit. Let us do things without tax policy that benefit the most people instead of the elite few.

I am all for tax cuts, but I think that we need to drastically revamp, repeal the President Bush tax policies and re-

vamp that policy to benefit the people who the need cuts most. Let us give the money to people who will be consumers. The rich will not turn the money over and purchase goods and services in order to revitalize the economy. They will invest it. If they spend it on services, they will go abroad and spend it in castles and high-class restaurants and a number of places which will not benefit the American economy necessarily. So we should see a tax cut for working families and a tax cut for the middle-income families as being a stimulus for the economy.

Item five, there should be an end to the tax system as we know it and a revamp which reduces the portion of the tax burden borne by individuals and families to less than 50 percent of the amount of money needed for taxation to cover our overall tax burden. Corporate entities utilizing the collective and accumulated knowledge in institutional support of a total society will continue to grow and prosper. Such recipients of public response of research and development protected by the legal system and the military might of the Nation and enriched by the greater American consumer market, such entities can and should bear a greater portion of the national tax burden. Corporate entities utilizing the collective and accumulated knowledge in institutional support of the total society, they will continue to grow and prosper.

Corporations are filthy rich. We know now from some of these scandals, the Enron scandal, the WorldCom scandal, we know how mega-bucks are passed among them as if they were pennies. One corporate executive was loaned \$400 million. Another corporate executive was loaned millions of dollars, and they were forgiven by the corporation. On and on it goes. If you read what we have gotten exposed in a few corporations, you can see how most of them operate. Those that are honest have a great deal of leeway of choices to make with tremendous amounts of dollars. They can afford to pay for an American society that is generous enough to take care of all of its children and its elderly and people in need.

Such recipients of publicly sponsored research and development, I cannot emphasize this too much, they are recipients of publicly sponsored research and development, they are protected by the legal system and the military might of the Nation.

Those who have the most, have the most to be protected. If we go to war, we are going to war to protect those who do the most. Therefore, it is just for them to pay more in terms of taxes.

They are enriched by the greater American consumer market. Such entities can and should bear a greater portion of a national tax burden. Tax cuts for the upper-income brackets should be repealed immediately. Tax cuts for all families earning less than \$50,000 per year should be implemented immediately, commencing with a large reduction of payroll taxes for the poorest

workers. Tax cuts for the upper-income brackets should be repealed immediately. Tax cuts for all families earnings less than \$50,000 a year should be implemented immediately, commencing with a large reduction for payroll taxes for the poorest workers.

Now, let me make it clear, I said I had been appointed as the coordinator for the Congressional Black Caucus alternative budget. These ideas here are still my ideas. They have not been all adopted by the Congressional Black Caucus. There is still some debate about whether we should have in our Congressional Black Caucus budget a freeze of the tax program the way it is or whether we should propose to have a repeal and revamping of it. And I want to note that. This is my proposal as an individual.

Let me go to point seven, related to education and job training. Leaving taxes which are critical, taxes are critical because they set the parameters. They tell us how much revenue we will have for our expenditures, and it is important that more attention be paid to tax policy. I think that one of the failures of the American academic community and the American citizens in general is they have allowed taxes to be a private matter for an elite group. They have allowed taxes to be treated with great mystery. We do not spend as much time ever discussing taxes and how the revenue is gained as we do discussing how the revenue should be spent. We should pay attention to both because in the absence of rational discussion, reasonable discussions we are having all these proposals that end up widening the gap between the rich and the poor and doing our Nation a great disservice because the Nation does belong to everybody. When you alienate certain groups, you are setting up a situation which is untenable.

Let me show you how bad it is with one set of statistics that came from the Federal Reserve. The Federal Reserve does a study every 3 years of consumer financing. And one of the facts that they generated are out of their most recent study of a 3-year period, not last year, but the 3 years before 2002, up to 2001. One of the facts that they generated was that the median net worth, the median net worth in terms of assets, wealth, for whites rose 17 percent in that 3-year period to \$120,900; while the median net worth for minorities fell 4.5 percent to \$17,000 for minorities. Talk about the gap between the rich and the poor: \$120,900, median net worth for whites; \$17,000 is a median net worth for minorities. That is more than just African Americans and other folks, other minorities are included there; but the most important factor is it did not go up. It fell from where it was before by 4.5 percent while the median net worth for whites rose by 17 percent. That was a great time of prosperity. The end of the prosperous 1990s and into the early 2000, 2001, whites saw their median net worth go up about 17 percent. Minorities saw their median

net worth go down by 4.5 percent. The gap is \$120,900 versus \$17,000.

That is why the Congressional Black Caucus budget needs to address a special group with a special message. It needs to address black leaders, our budget, the Congressional Black Caucus alternative budget, has to address black leaders that if you think you are providing good leadership, if you are smug and you think we are going forward because you read these stories about the great movement forward of the black middle class and black middle-class families, how well off they are, then stop for a moment and consider what the hard statistics show: \$17,000 versus \$120,900.

We have much work to do and only education is our salvation in the minority community. There is no other way. A few people may hit the lottery. Maybe some folks are discovering gold mines somewhere in the world. But basically, the only way to accumulate wealth is to get an education and get a decent job and start the slow process of wealth accumulation in the family.

Let me rush now. I am running out of time. Education and job training then becomes the key to solving the great problem of the great gap in wealth. Our government must do everything possible to help solve that problem by making sure there is the opportunity to learn for everybody who wants to learn.

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Point 7, since the Nation's security as well as its future economic stability and prosperity is directly dependent on the quality of education of its citizens, the budget should greatly increase Federal assistance for education from Head Start to title I, bilingual education, Historically Black Colleges and Universities, Hispanic Serving Higher Education Institutions, special education, education technology and on and on.

Since school buildings are essential for the implementation of all school improvements, the taboo must be ended, and the Federal grants for school construction must be provided. The President's budget is proposing construction grants, not loans, but only for charter schools. Let me just repeat that. There is a taboo, unfortunately many Democrats believe in it, too, but there is a taboo against offering money for school construction from the Federal Treasury. Somebody somewhere decided that school construction must be a function of the State governments and the local governments.

Now, they used to think that way about highways and roads; but we spent billions of dollars, Federal money, on highway roads because the modern national necessity required roads and highways that needed Federal help. We built the railroads. The railroads were financed by the Federal Government. The great linkup of the Pacific and the Atlantic, most people do not understand, it was not done by private money. It was the Federal Gov-

ernment that financed the railroads; and private railroads then, of course, had a way to take advantage of that as in the case of much government experimentation and research and development, benefit greatly.

Here we are. The President's budget breaks the taboo by saying we will give \$175 million to charter schools for construction. If it is okay to give construction money to charter schools, why not all schools? Why have a taboo on public schools in general? It just so happens that politically, for partisan political reasons, chartered schools are favored. So we are going to have \$175 million. We are not going to give a cent to public schools for school construction.

We have some kind of program that is sponsored by two Members of the House for loaning to school districts who do not want to borrow any more money. So even if we pass that, it will not do much good in terms of providing for the school construction needs we have.

Point 8, significant Federal initiatives for education reform such as No Child Left Behind cannot be implemented effectively while local education agencies are under assault from State and local budget cuts; therefore, an emergency targeted revenue sharing for education programs must be legislated.

Point 9, job training programs must be rescued from the downward spiral of budget cuts. It must be made complementary and compatible with our overall education efforts as well as the changing occupational needs generated by new challenges to homeland security and global competition.

Under Health, Human Services and Safety Nets, while the recently released Democratic Caucus Prescription Drug Plan with a \$25 premium should be endorsed, that is, we have a plan. The Democrats have a plan that makes sense. Democrats have a plan that is in keeping with what other modern governments are doing for their populace. So we should support that plan, but there are other health care needs that must be addressed in our current budget.

Of greatest significance to the CDC are the President's proposals to have the Federal Government abandon Medicaid; and I have talked about that swindle, and we must stop that.

Welfare reform must be revisited and made more humane by providing more in cash payments for children. They should also provide money to allow any head of a welfare family to go to school for at least 2 years of college and be able to qualify for these jobs that are available like nurses' jobs or experts in cleaning up of anthrax.

Point 10, a coordination and calibration of the services provided to families under title XX with the goals of assisting low-income youth who are in the No Child Left Behind schools must be appropriately funded.

There are many other points that I do not care to go into. I want to con-

clude by saying there was a time when we had Draconian cuts proposed for education shortly after the Republican majority took over, and I opposed those cuts at that time by reciting a little poem called "The Nation Needs Your Lunch." They were proposing cuts in lunch programs in order to cut and save the budget. The Nation needs your lunch. Kids of America, there is a fiscal crunch. This regulation now needs your lunch. Things are becoming that absurd. We are cutting out vitally needed programs. Head Start is going to be cut. We are cutting vitally needed health programs for children, et cetera. We are a great Nation and we can do better than that.

I want to end with a new poem, a new rap poem which I think is very relevant:

"Stop the war!
We need the cash!
Tank battles escalate!
Into nuclear ash.
Stop the war!
We need the cash!
Give Medicaid families
All of Rumsfeld's stash.
Throw the body bags
Into the trash.
Stop the war!
Welfare mothers
Rush to cry,
Soldiers from the ranks of
The poor will be the first to die.
Stop the war!
Dragging democracy to its knees
With friendly fire
Camouflaged by orange alert excitement
Ashcroft decrees
The Constitution's indictment.
Silent objectors will be spared,
Enemy combatants
All demonstrators have been declared.
Stop the war!
We need the cash!
Vietnam had
Profound lessons to teach;
Empires fall
When they overreach.
Stop the war!"

THE BUDGET DEFICIT

The SPEAKER pro tempore (Mrs. BLACKBURN). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Michigan. Madam Speaker, I thank the Chair for this opportunity and if I could ask one of our pages to put a couple of charts up here.

Right now in the United States House of Representatives, the Committee on the Budget is marking up, what we call it is marking up, the budget for the 2004 fiscal year. The 2004 fiscal year starts next September 30, and we are looking at a budget that is going to be a little more conservative on discretionary spending but still looking at spending that has been increasing almost 7.5 percent a year, and that has led us into a very serious problem.